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No. 86-675

IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1986

JASLOW DENTAL LABORATORY, INC., EDWARD JASLOW, RAND JASLOW AND DENTCOM, INC.,

Petitioners,

v.

WHELAN ASSOCIATES, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

REPLY BRIEF OF PETITIONERS

JAMES D. CRAWFORD*
ROBERT S. BRAMSON
MICHAEL J. MANGAN
RONALD E. KARAM
Attorneys for Petitioners.

SCHNADER, HARRISON, SEGAL & LEWIS
Suite 3600
1600 Market Street
Philadelphia, Pennsylvania 19103
(215) 751-2244

Of Counsel.

*Attorney of Record.

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REPLY

Petitioners, Jaslow Dental Laboratory, Inc., Edward Jaslow, Rand Jaslow and Dentcom, Inc., respectfully submit this brief in reply to respondent's brief in opposition.

I. PETITIONERS DO NOT CHALLENGE THE PROPRIETY OF COPYRIGHT PROTECTION FOR COMPUTER PROGRAMS.

In its brief, respondent asserts, based on a distorted and puzzling misreading of the Petition for Certiorari, that "petitioners seek to reargue in this Court the propriety of copyright protection for computer programs." Brief of Respondent Whelan Associates, Inc. in Opposition to Petition for a Writ of Certiorari at 15 ("Whelan Brief"). This statement is plainly wrong.[1] Our clear position in the two courts below, and in the petition before this Court, is that because of their uniquely utilitarian nature computer programs should be given only limited protection under the Copyright Act. Indeed, the petition specifically requests this Court to "reaffirm the longstanding copyright principles" relating to the scope of copyright protection. Petition at 20. *See also* Petition at 5 n.4 (copyrightability of "literal elements [of computer programs] is well established, and not at issue").

Respondent's mischaracterization of the petition is symptomatic of its refusal to recognize that the scope of copyright protection is not the same for all types of works. Indeed, respondent would have this Court believe that the legislative history of the Copyright Act and the relevant case law have settled

1. We are well past the point where any litigant may argue that computer programs are not subject to copyright protection. Despite the fact that some scholars believe that Congress made a mistake in protecting computer programs by means of the Copyright Act, *see* Samuelson, *Creating a New Kind of Intellectual Property: Applying the Lessons of the Chip Law to Computer Programs*, 70 Minn. L. Rev. 471, 510 (1985), it is clear that Congress did so. Having made the marriage of copyright and computer programs, the task before the courts is to make it work, and that cannot be accomplished by the knee-jerk application of old rules to new works that require different approaches.

the scope of copyright protection for computer programs. Respondent states that Congress "decided to confer on computer programs the full scope of protection under the Copyright Act." Whelan Brief at 16. Congress never made any such decision. In 1980, Congress adopted, without legislative debate or committee report, two narrow and specific recommendations of the National Commission on New Technological Uses of Copyrighted Works ("CONTU") regarding copyright protection for computer programs. Congress implemented those recommendations by adding a definition of "computer program" to § 101, the definitional section, and by amending § 117 of the Act to permit the making of a copy of a program under limited circumstances. 17 U.S.C. §§ 101, 117 (1982). In connection with CONTU's recommendations, Congress did not even debate, let alone decide, the scope of copyright protection for computer programs.

But Congress was well aware that the copyright law does not accord an equal scope of protection to all types of works. As the Seventh Circuit observed in *Atari, Inc. v. North American Philips Consumer Electronics Corp.*, 672 F.2d 607, 616-17 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982):

> "[T]hat a work is copyrighted says very little about the scope of its protection."

And Congress was equally cognizant of the utilitarian nature of computer programs and of the longstanding policy of the copyright law that copyright does not protect the utilitarian aspects of any work. *See* Samuelson, *supra* note 1, at 484-85, 508-11. Indeed, both the House and Senate Reports pronounced the clear concern of Congress that copyright may not be used to monopolize the methods, processes and other utilitarian aspects of computer programs. Nearly half of the discussion of section 102(b) in those reports relates to computer programs, demonstrating the special force with which that key provision applies to computer programs. In short, the legislative history of the Copyright Act does not support respondent's suggestion that Congress

decided to confer on computer programs the "full scope" of copyright protection. To the contrary, the legislative history of the Copyright Act demonstrates profound Congressional concern about overbroad copyright protection for computer programs.[2]

Respondent also asserts that the court below "reached the same result as have the other lower courts faced with the same issue." Whelan Brief at 11. The truth is that no other court has found copyright infringement of a computer program based only on similarity of structure. In those cases in which there has been a finding of infringement of the copyright of a computer program, the records were saturated with evidence of copying of the literal code or other literal elements of the plaintiffs' programs — evidence that was clearly sufficient to support the infringement holdings. *See, e.g., SAS Institute, Inc. v. S & H Computer Systems, Inc.*, 605 F. Supp. 816 (M.D. Tenn. 1985); *E.F. Johnson*

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2. Respondent's suggestion that CONTU embraced a broad scope of copyright protection for computer programs is also infirm. Respondent states that the CONTU majority rejected the position of the CONTU minority that computer programs should receive only a limited form of copyright protection. Respondent, however, fails to mention that the limited form of protection urged by the CONTU minority is quite different from that at issue in this case. The CONTU minority urged that *no copyright protection* be given to computer programs in their machine-control phase, and that copyright protection be limited only to a program's written form (source code). That limitation, which would deny all protection to computer programs in some forms, is obviously quite different from the limited scope of protection urged in the petition: protection for only the literal code of a program, regardless of whether the program is in written form or machine-control form. CONTU did not explicitly reject the latter limitation, and the court below did not find otherwise.

The court below did, however, infer an intent by CONTU to extend protection beyond literal code from CONTU's inclusion of "flow charts" as a work in which copyright subsists. That inference is erroneous. Flow charts are graphic representations of the operation of a computer program. Flow charts, like "how-to books," are indeed copyrightable. But neither the copyrights in the flow charts nor in the how-to books give the authors any rights to the processes described therein. That a flow chart is copyrightable means it may not be copied. It says nothing about whether the structure of a computer program, an entirely different work, is protected by copyright. Indeed, the CONTU Final Report specifically distinguished flow charts from computer programs in both source code and object code form. National Commission on New Technological Uses of Copyrighted Works, Final Report at 21 n.109 (1978).

Co. v. Uniden Corp. of America, 623 F. Supp. 1485 (D. Minn. 1985). In those cases, the similarities in structure were not necessary to the findings of infringement. Literal similarities were rampant. Moreover, the structural similarities in those cases reflect only the obvious fact that one who copies the literal elements of a program necessarily also copies its structure.

In the instant case, the court below affirmed a finding of copyright infringement based on a record in which all parties agreed that there was no copying of literal program code. Accordingly, contrary to respondent's suggestion, this case is the first in which copyright infringement of a computer program has been predicated on similarity in structure alone.

The issue presented for review is indisputably a critical federal question. It has not, as respondent suggests, been answered by the legislative history of the Copyright Act, nor has it been settled by the federal judiciary. This Court's guidance would indeed promote judicial economy and provide much needed clarification.

II. THE UNIQUE UTILITARIAN AND FUNCTIONAL NATURE OF COMPUTER PROGRAMS MANDATES ONLY NARROW COPYRIGHT PROTECTION FOR THEM.

The substantial majority of legal scholars who have examined the application of copyright law to computer programs have concluded that computer programs are very different from traditional literary works, like books, poems and plays. *See, e.g.*, Kost, *Whelan v. Jaslow: Back to the Rough Ground!*, 5 Computer L. Rep. 145 (1986). Some of these commentators believe that, notwithstanding the significant differences, computer programs can be accommodated to existing principles of copyright law. *See, e.g.*, Liebman, Katsch & Leitch, *Back to Basics: A Critique of the Emerging Judicial Analysis of the Outer Limits of Computer Program "Expression,"* 2 Computer Law., Dec. 1985. Others advocate the development of new principles of copyright law for computer programs. *See* Davis, *Computer Software — The Final Frontier: Clones, Compatibility and Copyright*, 2

Computer Law., June 1985, at 13. In either case, however, many of the commentators who have studied and written about the issues raised by the petition are of the view that the uniquely utilitarian features of computer programs —the very features that set them apart from traditional works of authorship — mandate a narrow scope of copyright protection for computer programs. *See, e.g.*, Liebman, Katsch & Leitch, *supra;* Radcliffe, *Recent Developments in Copyright Law Related to Computer Software*, 4 Computer L. Rep. 189 (1985); Note, *Copyright Infringement of Computer Programs: A Modification of the Substantial Similarity Test*, 68 Minn. L. Rev. 1264 (1984).

Respondent asserts that the copyright law has long protected "utilitarian works" such as maps and charts (Whelan Brief at 16), and that since computer programs are themselves nothing but "utilitarian works," they require only "established legal principles." Whelan Brief at 20. This argument betrays a fundamental lack of understanding of what computer programs are, and how profoundly different they are from maps, charts, cookbooks, how-to books, mileage guides, and other traditional copyrighted works that may be loosely characterized as "utilitarian."

A widely recognized legal scholar who has written extensively in this area has captured this difference:

> "There is one very simple but important difference between a book which contains a set of instructions about how to do a particular task and a computer program in machine-readable form which contains a similar, if considerably more elaborate, set of instructions on the same subject: The former informs a human being about how the task might be done; the latter does the task." Samuelson, *CONTU Revisited: The Case Against Copyright Protection for Computer Programs in Machine-Readable Form*, 1984 Duke L.J. 663, 727.

The point is this: one may read a traditional "utilitarian" work, learn from it, and make use of this knowledge to do something useful, such as repair a faucet or get around San Francisco. In that sense, the work may be said to be "utilitarian." But a computer program far transcends this kind of utilitarianism. It is

"utilitarian" or "functional" in the sense that it actually performs the process that is defined in its code. This makes computer programs so fundamentally unlike *any other copyrighted work* that to lump them under a general heading of "utilitarian" and say they should be treated just like maps and charts is simply refusing to recognize reality.

The court below sought to formulate a rule applicable to *all* utilitarian works. A29. There is, however, a critical difference — a difference not recognized by the court below — between computer programs and other utilitarian works: computer programs *do something*; other traditional works of utility *merely describe something*. Traditional copyrightable works of utility, like instruction manuals and code books, describe a process to a person, who must intervene to lend the words or phrases their utility. Computer programs, however, both define and implement processes. As explained in a recent report of the Office of Technology Assessment:

> "A recipe encoded in a program language cannot only tell a programmer how to bake a cake, it can 'tell' the computer, too. With the appropriate robotic apparatus, a recipe can *cause* the cake to be baked." U.S. Congress, Office of Technology Assessment, *Intellectual Property Rights in an Age of Electronics and Information* (April 1986) at 80 (Emphasis in original) ("OTA Report").

Clearly, the copyright in a cookbook may not be used to prevent a cook from using the recipes contained therein. Nor may the author of a strategy book for chess, for example, enforce his copyright against one who uses that strategy to play the game. But that is not true of the copyright in a computer program. The computer program copyright, if interpreted broadly, may be used to prevent both a substantially similar coding of the process contained in the program *and* to prevent an implementation of that process. If the scope of copyright protection in the program is not narrowly construed, then it will extend to the process itself.

Moreover, by conferring broad copyright protection on program structure, the rule announced by the court below will retard technological progress. Progress in computer science and other technical disciplines cannot be equated with the creation of new artistic works. Professor Paul Goldstein, a leading copyright scholar, explains:

> "Congress and the courts have recognized from the beginning that society's interests in the arts are best served by the widest possible differentiation among artistic works. . . . We are thus better off with hundreds of different novels, paintings and musical compositions, each distilling the individual author's perception of reality, than we are with a single view of that reality. By contrast, the ends of science and technology are impersonal. Society's interest in technological advance, although also served by differentiation, needs fewer resources devoted to variations on a single, technological solution, and more to verifiable improvements on that solution." Goldstein, *Infringement of Copyright in Computer Programs*, 47 U. Pitt. L. Rev. 1119, 1122-23 (1986).

Thus, literature and the arts are "centrifugal," aiming at the widest possible diversity to accommodate different tastes. *Id*. at 1123. Science and technology, on the other hand, are "centripetal," focusing toward an optimal, or most efficient, result. *Id*.

Here, the rule announced by the court below will deter the computer software industry from directing its efforts in search of optimal solutions. Instead, programmers will hesitate to make the "improvements" referred to by Professor Goldstein. In creating new programs, the industry will avoid existing program structures for fear of incurring liability for copyright infringement. Such a course would be highly undesirable, and would deter progress in the computer sciences.

The OTA Report summarizes the dangerous consequences of overly broad copyright protection of computer programs:

> "If . . . courts continue to interpret the expression in computer programs as broadly as they have in recent cases, developers of computer programs may also be adversely affected. If copyright in computer programs is held to extend to the "useful knowledge" — the method of achieving certain results — embodied in the program structure or algorithms, *copyright may block software innovators by precluding the creation of programs that differ in detail, but implement and perhaps improve on copyrighted programs. The patent system was designed to have this effect, but it is inappropriate for the copyright system*, which was neither doctrinally nor administratively designed to protect functional information. Overly broad copyright protection would give the owner patent-like protection over processes for a much longer duration than patent law provides, and do so with no examination for the program's novelty or non-obviousness, as is required by patent law." OTA Report at 83 (Emphasis added) (Footnote omitted).

The dangers inherent in the broad protection of computer programs announced by the court below are alone sufficient to warrant review by this Court of the vital issues raised by the petition.

III. THE LIMITATION OF COPYRIGHT PROTECTION TO THE LITERAL ELEMENTS OF A COMPUTER PROGRAM WILL NOT CREATE A VERBATIM COPYING STANDARD FOR INFRINGEMENT.

In its brief in opposition, respondent suggests in its phrasing of the Question Presented that petitioners are urging this Court to limit copyright protection of computer programs to mere "verbatim copying." Petitioners have never advocated any such rule, and do not so urge this Court. Respondent's suggestion to the contrary is disingenuous and plays upon confusingly similar terminology — "literal" copying and copying of "literal" code. Verbatim or literal copying is the exact and identical copying of

another work. Respondent knows full well that confining the scope of copyright protection to the "literal" program code does not at all mean that only verbatim or "literal" copying of that code would amount to infringement.

Indeed, the same standards that protect the literal elements of other written works, such as novels and poems, would also be applicable to computer programs. The making of trivial or cosmetic changes to a program, or the mere "paraphrasing" of the code, would constitute copyright infringement, just as it does for traditional works. Substantial similarity of the literal program codes would suffice to support a finding of infringement. Accordingly, if copyright protection were limited to the literal elements of a computer program, an infringer could not escape liability by making trivial changes in the code. This would clearly provide ample protection to copyright owners.

CONCLUSION

For the reasons contained herein, this Court should grant a writ of certiorari.

Respectfully submitted,

James D. Crawford*
Robert S. Bramson
Michael J. Mangan
Ronald E. Karam
Attorneys for Petitioners,
Jaslow Dental Laboratory, Inc.,
Edward Jaslow, Rand Jaslow
and Dentcom, Inc.

SCHNADER, HARRISON, SEGAL & LEWIS
Suite 3600
1600 Market Street
Philadelphia, Pennsylvania 19103

Of Counsel.

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**Attorney of Record*